

M E M O R A N D U M

#04-25

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: June 15, 2004

SUBJECT: FIXED ASSETS

Effective July 1, 2004 all furniture, equipment, and vehicles with a useful life of more than one (1) year and a purchase or acquisition cost of more than \$25,000 per item are required to be included and maintained in the State 's Fixed Asset Subsystem. The threshold is being increased from \$15,000 to justify the time and expense of maintaining information on the Fixed Asset System, as well as the relative materiality to the general purpose financial statements of the State taken as a whole. No changes have been made to the reporting of land, buildings, building improvements, or land improvements. Please refer to the Fixed Asset Accounting Manual for further information on these asset classes.

As a reminder, effective July 6, 2004, a new process will be put into place whereby the Fixed Asset document will need to be resolved before the payment voucher is processed. See Accounting Memorandum number 04-18 dated March 8, 2004. As a result of the threshold being increased to \$25,000 for furniture, equipment and vehicles, a Fixed Asset document will not be required to process the payment voucher when the document is less than \$25,000. However, if based on your organization's internal policies, you wish to establish a threshold at a lower level than for Statewide reporting, the Fixed Asset Criteria Table (FACT) may be set to accommodate your needs. Please contact Linda Murabito at 302-744-1079 for assistance.